



Transportation Infrastructure at Crossroads

Lieutenant Governor Jim Folsom, Jr.

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Recent reports by the Federal Highway Administration indicate that 12% of our nation's bridges are so blatantly deteriorated that they must be rigorously inspected and quickly repaired. While this statistic is certainly alarming, it pales when compared to the deterioration of Alabama's own aging infrastructure. According to the Reason Foundation, our state currently ranks 29th in terms of road conditions and cost effectiveness, 39th in rural interstate conditions and urban interstate conditions, 40th in road fatality rates, and 28th in bridge deficiencies, for a ranking of 43rd overall. Repairing these deficient and aging structures has become an immense and overwhelming task for state and local transportation departments to handle. Soaring construction costs, revenue shortages, and diminished budgets only serve to make the problems worse.

Congestion on our roadways has risen by more than 40% in the last fifteen years, while our capacity to meet these needs has grown by a mere 2%. National estimates indicate that Alabama is home to nearly 1,700 bridges classified as structurally obsolete or structurally deficient. In some cases, weight limitations imposed on aging bridges requires emergency and commercial vehicles to alter their routes entirely. These lengthy alternative routes directly impact and further burden Alabama families, who are already strained by soaring gas prices and a struggling economy.

It is painfully apparent that the time has come for our state to consider innovative solutions and alternative measures to maximize our transportation infrastructure. Our road system is well beyond the point of cosmetic repairs and routine maintenance. The Department of Transportation is doing an amazing job with the limited resources at their disposal. But, we need a comprehensive approach to solving these issues. Far too long has it been acceptable to neglect vital road projects. Without an effective solution to firmly address the insufficiencies in our transportation infrastructure, Alabama is in severe jeopardy of losing out on future economic development opportunities while failing to properly serve the businesses that are already here.

We can no longer remain in a state of complacency regarding the needs of our transportation infrastructure. It is time to embrace alternative funding methods like public-private partnerships as effective solutions for dealing with our infrastructure needs. Public-private partnerships can revitalize our ability to address the needs of our citizens and restore functionality to our existing infrastructure, while also channeling coordinated resources into new and innovative projects.

Public-private partnerships (PPP) stand as a true testament to American ingenuity. Public-private partnerships refer to business ventures between public agencies and private sector companies that allow for increased private sector participation. These innovative partnerships emerged from the encouragement of private investment in infrastructure by the government. Under the terms of a public-private-partnership, private sector companies take on greater dynamics in the financing, design, and construction of infrastructure projects. Increased involvement by the private sector gives public agencies

the essential resources and financial capital necessary to pursue more diverse and expansive objectives.

Public-private partnerships are essential to restoring innovation and affordability to our state transportation system. Across the nation, city, county, and state governments are utilizing innovative and proven financing methods, through a combination of financial resources, to provide the much needed revenue to restore functionality and safety to roads, bridges, and waterways. Public-private partnerships yield highly expedited completion times, improved quality and sustainment, and maximized cost savings on all transportation projects. It is vital to the preservation and vitality of our state's economic prosperity that our state puts itself in a position to reap the abounding benefits of public-private partnerships.

Recently, my office has made significant strides towards positioning our state to take full advantage of the positive benefits that emerge from public-private partnerships. In May, I called for the creation of the Lieutenant Governor's Commission on Public Private Partnership Projects. This coordinated effort will consist of five appointments each for the Governor, Lieutenant Governor, and Speaker of the House and will be chaired by State Senator Roger Bedford. This commission is responsible for exploring innovative methods of financing state infrastructure projects such as the North South Highway and will strive to identify additional areas of improvement for future economic development in our state. The commission held it's first meeting on August 19th and will report its findings and recommendations to the Alabama Legislature at the start of the 2009 regular session.

History has shown us that transportation infrastructure is a critical component to expanding economic development. The quality of life and economic competitiveness of our state sits squarely on the shoulders of our transportation infrastructure. Though building and maintaining roads and bridges is an expensive business venture, it is a necessary one.

I think it is a priority that we establish a major North – South thoroughfare in the western part of our state. Our East-West corridors along I-59/20, I-10, and US 72 have contributed greatly to significant and unprecedented residential and commercial growth in our state. However, without a substantial investment in a North South highway project, the western part of our state will remain detached from development, heavily agricultural, and locked in a devastating state of poverty. We are in dire need of a major North South Highway to maximize the economic development opportunities allowed by the development of the Tennessee Tombigbee waterway.

In the face of great adversity, we have a prime opportunity and an obligation to the people of Alabama to be innovative in our approach to finding solutions to these growing problems. As we move forward in implementing effective and innovative strategies to meet new and emerging challenges, we remain steadfast in our efforts to affect progressive and lasting change for the state of Alabama.

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